

## FOR IMMEDIATE RELEASE

### XMH reports 9MFY2018 results

- Group delivered 6.4% increase in gross profit to S\$14.8 million for 9MFY2018, despite a decline in revenue from S\$64.0 million to S\$55.0 million
- However, with reduced finance income and other income, the Group reported a net loss attributable to shareholders of S\$0.9 million, despite reducing total operating expenses
- Positive net cash generated from operating activities of approximately S\$2.6 million for 9MFY2018
- Group continues to face headwinds but sees industry recovery on the horizon

Singapore, 8 March 2018 – XMH Holdings Ltd., (“XMH”, “新明华控股” or the “Group”), a diesel engine, propulsion and power generating solution provider in the marine and industrial sectors, today reported its financial results for the three months (“3QFY2018”) and nine months ended 31 January 2018 (“9MFY2018”).

Financial Highlights	3QFY2018 S\$'000	3QFY2017 S\$'000	% Change	9MFY2018 S\$'000	9MFY2017 S\$'000	% Change
Revenue	14,051	19,533	(28.1)	54,995	64,042	(14.1)
Gross Profit	4,194	4,715	(11.0)	14,772	13,879	6.4
Gross Profit Margin	29.8%	24.1%	5.7 pp	26.9%	21.7%	5.2 pp
EBITDA	245	2,739	(91.1)	4,301	6,691	(35.7)
Other Income	1,414	1,508	(6.2)	2,456	3,491	(29.6)
Operating Expenses*	6,018	6,882	(12.6)	17,656	18,884	(6.5)
Net (Loss)/Profit Attributable to Owners of the Company	(1,223)	766	NM	(890)	1,058	NM
Net Profit Margin	-	3.9%	NM	-	1.7%	NM
Basic EPS (cents) <sup>#</sup>	(1.10)	0.69	NM	(0.80)	0.95	NM

\*: Includes distribution expenses and administrative expenses

pp: Percentage points

#: Based on weighted average number of shares of 111,281,821 for 3QFY2018 and 9MFY2018 (3QFY2017 and 9MFY2017: 111,281,821).

NM: not meaningful



Revenue decreased by 14.1% year-on-year (“yoy”) to S\$55.0 million for 9MFY2018 due to a decrease in revenue recorded by the Distribution and Project business segments, which were affected due to the cautious spending by customers and slow market recovery.

Gross profit increased by 6.4% yoy to S\$14.8 million for 9MFY2018 with gross profit margin increasing from 21.7% for 9MFY2017 to 26.9% for 9MFY2018. Gross profit margin improved in all three segments with better margins achieved from sales and completion of some projects.

Other income decreased by approximately S\$1.0 million to S\$2.5 million for 9MFY2018, mainly due to a one-off gain on disposal of fixed assets recorded in 9MFY2017, decreased forfeiture of deposits from customers and lower government grants and rebates for 9MFY2018. The decrease was partially offset by an increase in rental income generated from sub-letting part of the premises of the factory building.

Total operating expenses decreased by 6.5% yoy to S\$17.7 million for 9MFY2018. Administrative expenses decreased by 6.6% yoy to S\$13.6 million for 9MFY2018, mainly due to decreases in amortization of intangible assets, depreciation charges, legal and professional fees and share-based payment expense. Distribution expenses decreased by 6.2% yoy to S\$4.1 million for 9MFY2018, as a result of decreases in staff costs and bank charges.

Net finance cost was approximately S\$0.9 million for 9MFY2018 as compared to net finance income of S\$2.1 million in 9MFY2017, mainly due to foreign exchange loss suffered in 9MFY2018.

The Group reported a net loss attributable to owners of the company of S\$0.9 million for 9MFY2018.

The Group generated net cash from operating activities of S\$2.6 million for 9MFY2018. As of 31 January 2018, the Group had a net asset value per share of 57.78 Singapore cents.

**Commenting on the Group’s financial performance, Mr. Elvin Tan Tin Yeow, Chairman and Managing Director, commented, “*We continue to face challenges as tough industry conditions persist. Revenue and financial performance were affected by competitive industry dynamics but we kept a tight leash on our expenses and reduced our operating costs in these nine months.*”**

XMH Holdings Ltd.  
55 Tuas Crescent  
Singapore 638743  
Tel: (65) 6368 0188 Fax: (65) 6368 0633  
Website: www.xmh.com.sg  
CO. REG. NO.: 201010562M



*Looking ahead, we do believe that gradual recoveries of the industries we operate in are in motion and we will strive to overcome these short term obstacles and prepare ourselves to capitalise on opportunities which may present themselves on the horizon.”*

### **Business Updates / Outlook**

Sentiments in the offshore marine and coal industries have shown some improvement, underpinned by the stabilisation of oil and coal prices. The near term outlook remains challenging as stiff competition persists, but the Group is cautiously optimistic that a slow recovery is underway. Recently, the Group has experienced some increase in enquires but conversion of these into sales is expected to be gradual.

The outlook for onshore segments remains encouraging. The Group will continue to hone the integration of its service offerings and use its combined technical knowledge to cater comprehensive power generating solutions to viable opportunities in the region.

On the whole, the Group will maintain close ties with existing customers to increase the prospect of repeat business and focus on remaining cost efficient in order to preserve margins and mitigate price competition pressure.

The Group will continue to monitor the developments in the respective markets and remain prudent and methodical in its approach to opportunities which may surface.

**--- The End---**

XMH Holdings Ltd.  
55 Tuas Crescent  
Singapore 638743  
Tel: (65) 6368 0188 Fax: (65) 6368 0633  
Website: [www.xmh.com.sg](http://www.xmh.com.sg)  
CO. REG. NO.: 201010562M



**ABOUT XMH HOLDINGS LTD. (BLOOMBERG TICKER XMH: SP)**

XMH Holdings Ltd. (“XMH” or the “Group”) started as a small machinery repair and maintenance shop on Kitchener Road in 1955. With a history of over 60 years, the Group is now a reputable and trusted name as a diesel engine, propulsion and power generating solutions provider in the marine and industrial sectors across Asia. Over the years, the Group has expanded its primary product offerings to include distributorship, agency and dealership rights from reputable brands such as Mitsubishi, Akasaka, Taiyo, Niigata Power Systems and Kamome (Japan), D-I and Doosan (South Korea), SOLÉ, Korsør, Reintjes, CENTA (Europe), SGP (India), ABB (Switzerland), Lilaas (Norway), Logstrup (Denmark) and Siemens (Germany).

The Group continued to advance, scaling up the value-chain with the introduction of “AceGen”, its in-house range of power generating sets, and “XMH IPS”, a one-stop integrated solution to vessel owners requiring diesel engine (or electricity) driven propeller-based propulsion systems to power its vessels. These additions enhanced the Group’s capabilities in providing customised and comprehensive solutions to its customers’ diverse needs. The acquisition of Mech-Power Generator Pte Ltd and its subsidiary (“MPG”) was completed in September 2013. MPG is a leading manufacturer in the sale, assembly, testing, installation, commissioning and maintenance of diesel powered generator sets. Following the acquisition of MPG, in March 2015, the Group also acquired 80% shareholdings in the issued and paid up capital of Z-Power Automation Pte. Ltd. (“ZPA”). ZPA is a leading system integrator for power, control and system solutions providing the Group with enhanced exposure to new markets and a wider product portfolio.

With these acquisitions, the Group’s business activities can be broadly categorised into (i) distribution and provision of value-added products and services; (ii) after-sales services, trading and others; and (iii) projects. Projects comprise assembly and installation of standby generator sets and provision of related services; and design and manufacture of marine switchboards, remote control distribution system and marine automation products.

For more information please visit [www.xmh.com.sg](http://www.xmh.com.sg)

---

**Issued for and on behalf of XMH Holdings Ltd.**

**By Financial PR Pte Ltd**

**For more information please contact:**

**Romil SINGH / Jonathan YEOH**

**Financial PR Pte Ltd**

**Tel: 6438 2990 / Fax: 6438 0064**

**E-mail: [romil@financialpr.com.sg](mailto:romil@financialpr.com.sg), [jonathanyeah@financialpr.com.sg](mailto:jonathanyeah@financialpr.com.sg)**